

COUNTY EMPLOYEES' ANNUITY & BENEFIT FUND OF COOK COUNTY
And Ex-Officio for the
FOREST PRESERVE DISTRICT ANNUITY & BENEFIT FUND
MEETING OF THE BOARD OF TRUSTEES
33 N. DEARBORN STREET-ROOM 1000
CHICAGO, ILLINOIS 60602

Minutes for December 7, 2010 Meeting of the Board

The County Fund and the Forest Preserve District Fund are herein collectively referred to as the "Fund".

Call to Order and Roll Call.

Trustees Present: Robert Agnes, Clem Balanoff, Robert Benjamin, John E. Fitzgerald, Robert Janura, Mark Kilgallon, Constance M. Kravitz, Patrick McFadden,

Staff Present: Daniel R. Degnan, Executive Director, Penny Finch, Chief Operating Officer, Nickol Hackett, Chief Investment Officer, Michael Maratea, Director of Finance, Fernando Vinzons, Investment Analysis, Paul Rzeszutko, Director of Annuity Benefit, Sharon Ryan, Office Manager

Others Present: Mary Pat Burns, Burke, Burns & Pinelli, Christine M. Trzos, Annuitant, Maria Thompson, M.R. Beal, Angela Myers, Loop Capital, Sharon Piet, Podesta, Vito Laera, Cabrea Capital

Mr. Kilgallon presided.

1. Review and Consideration of:

a. November 4 2010 Board Meeting Minutes.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the minutes of the November 4, 2010, Board Meeting be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. November 9, 2010 Special Board Meeting Minutes

It was moved by Trustee Kravitz and seconded by Trustee Benjamin that the minutes of the November 9, 2010, Special Board Meeting be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

c. Bills, Payroll Records, Annuities, Spouse & Child Annuities, Ordinary & Duty Disabilities and Refunds.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the presented payroll, bills and recommendations for annuities, disabilities and refunds be approved.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Janura, Kilgallon,
McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Matters

At the call of the Chair and with consent of the body, this matter was taken out of order.

a. Election of Officers & Committee Assignments

It was moved by Trustee McFadden and seconded by Trustee Kravitz that the following members of the Retirement Board shall serve, respectively, as Officers, until a successor is elected: Jack Fitzgerald, President; Clem Balanoff, Vice-President; and Robert Agnes, Secretary.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Janura, Kilgallon,
McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee Agnes that all the members of the Retirement Board shall serve on the Investment Committee and that Trustee McFadden shall serve as Chairman. It was further moved that all so named shall serve, respectively, until a successor is duly elected or appointed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee Fitzgerald and second by Trustee Agnes that the following members of the Retirement Board shall serve on the Emerging/Minority Investment Committee: Constance Kravitz, Robert Benjamin and Robert Janura, with Trustee Kravitz to serve as Chairperson. It is further moved that all so named shall serve, respectively, until a successor is duly elected or appointed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved Trustee Fitzgerald and seconded by Trustee Agnes that the following members of the Retirement Board shall serve on the Health Benefits Committee: Jack Fitzgerald, Robert Agnes, Clem Balanoff, Robert Benjamin, and Patrick McFadden with Jack Fitzgerald to serve as Chairman. It is further moved

that all so named shall serve, respectively, until a successor is duly elected or appointed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. 2011 Meeting Schedule

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden, consistent with the recommendation of the Funds' professional staff and the Fund's counsel, that the proposed January 2011 Meeting be January 6, 2011 and that the Regular Board Meeting shall be the first Thursday of each month in 2011.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

c. Pressure Seal Machine

Mr. Maratea, Director of Finance, addressed the Trustees regarding this matter. He reported that the Fund currently sends out thousands of IRS Form 1099's, annuity checks and advice statements on an annual basis. He recommended that in order to increase the efficiency of the process and to increase the security of those items, the Fund utilize a pressure seal machine. He reported that he researched the machines with several vendors and recommended the Postmate PS30 as the best offer.

It was moved by Trustee McFadden and seconded by Trustee Balanoff, consistent with the recommendation of the Funds' staff, that the Funds purchase a Postmate PS30 pressure seal machine from Northern Printing at a cost not to exceed \$3,200 and that the Funds enter an annual service agreement at an additional cost of \$510. It is further moved that the Funds' staff take all steps reasonably necessary to effectuate the foregoing, including, subject to legal review and sign off, execution and delivery of related written agreements on the Funds' behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Janura, Kilgallon,
McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

d. Tape Drive

Mr. Degnan explained that the Fund uses magnetic tapes to back up data and that the old tape drive is no longer useable. He recommended purchasing a new tape drive and reported that staff researched the drive with several vendors and recommends the HP Stageworks Ultrium 3000.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden, consistent with the recommendation of the Funds' staff, that the Funds purchase a HP Stageworks Ultrium 3000 tape drive, tapes and a warranty from CDW-G at a cost not to exceed \$4,500, and that the Funds' staff take all steps reasonably necessary to effectuate the foregoing, including, subject to legal review and sign off, execution and delivery of related written agreements on the Funds' behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Janura, Kilgallon, McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

e. ERRP

Ms. Finch explained that the Fund applied for the Early Retiree Reinsurance Program ("ERRP") and that in order to complete the application we need claims data in a specific format from our health insurance and pharmaceutical insurance providers. She stated that the insurance carriers are not entitled to recoup any of the funds available and that they are charging their clients for the data necessary to complete the applications. She reminded the Trustees that this is a federally administered program and that many retiree insurance plan sponsors are applying for reimbursement of funds. She stated that our health insurance consultant indicated that we could recoup several million dollars through this program.

It was moved by Trustee Fitzgerald and seconded by Trustee Kravitz, consistent with the recommendation of the Funds' staff, that the Funds submit applications to receive reimbursement pursuant to the Early Retiree Reinsurance Program and that the Funds retain BCBS at a cost of \$16,000, CVS/Caremark at a cost of \$1,000 and JCCG at a cost of \$12,000 to assist the Funds in gathering the claims data and properly submitting such data within the applications. It is further moved that the Funds' staff take all steps reasonably necessary to effectuate the foregoing, including, subject to legal review and sign off, execution and delivery of related written agreements on the Funds' behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Janura, Kilgallon, McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

2. Other Benefit Matters

a. In the Matter of Andre Robinson, 09-RBCC-10

It was moved by Trustee McFadden and seconded by Trustee Agnes that the Board adopt the Hearing Officer's order dated November 10, 2010, granting the Retirement Board's Motion to Dismiss for Failure to Substitute Parties and that the administrative hearing requested by Mr. Robinson be dismissed pursuant to Section 1000.140 of the Fund's Procedural Rules Governing Hearings.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Janura, Kilgallon, McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

b. In the Matter of Harriet Jackson

It was moved by Trustee Balanoff and seconded by Trustee McFadden that Ms. Jackson had reasonable cause for delay pursuant to Section 5/9-156 of the Pension Code, in filing an application for an ordinary disability benefits for the period of October 1, 1998 through December 6, 1998.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee Balanoff and seconded by Trustee Agnes, having found that Ms. Jackson had reasonable cause for delay in filing an application for ordinary disability benefits for the period of October 1, 1998 through December 6, 1998, that she is eligible for the benefits requested.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Janura, Kilgallon, McFadden, Kravitz

NAYS: None

Vote Result: MOTION ADOPTED

4. Consideration of Investment Committee Meeting Recommendations

a. P.A. 96-0006 Diversity Policies

It was moved by Trustee Agnes and seconded by Trustee Fitzgerald, consistent with the recommendations of the Investment Committee, Fund's professional staff and the Fund's counsel, the Board having reviewed the goals established within the Emerging Investment Manager Policy, that the Policy and relevant data be submitted to the Governor and the General Assembly by January 1, 2011, as required by Section 5/1-109.1(4) and Section 5/1-109.1(8) of the Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee Agnes and seconded by Trustee Fitzgerald, consistent with the recommendations of the Investment Committee, the Fund's professional staff and the Fund's counsel, the Board having reviewed the goals stated therein,

that the Minority Broker-Dealer Policy and relevant data be submitted to the Governor and the General Assembly by January 1, 2011, as required by Section 5/1-109.1(7) and Section 5/1-109.1(8) of the Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee Agnes and seconded by Trustee Fitzgerald, consistent with the recommendations of the Fund's professional staff and the Fund's counsel, the Board having reviewed the goals stated therein, that the Diversity Policy for Fiduciaries, Consultants and Senior Staff be submitted to the Governor and the General Assembly by January 1, 2011, as required by Section 5/1-109.1(5) and Section 5/1-109.1(8) of the Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

It was moved by Trustee Agnes and seconded by Trustee Fitzgerald, consistent with the recommendations of the Fund's professional staff and the Fund's counsel, the Board having reviewed the goals stated therein, that the Policy Regarding Business Enterprises Owned by Minorities, Females and Persons with Disabilities be submitted to the Governor and the General Assembly by January 1, 2011, as required by Section 5/1-109.1(6) and Section 5/1-109.1(8) of the Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Evergreen

It was moved by Trustee Agnes and seconded by Trustee Fitzgerald, consistent with the recommendations of the Investment Committee, that the Board as a limited partner in Evergreen IV, approve the extension of the Annex drawdown period through December 31, 2011, and that the Fund's Investment Staff in consultation with the Fund's Legal Counsel be authorized to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of related written documents on the Fund's behalf by the Executive Director.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

At this time the Board recognized its lobbyist, John McCabe and asked that he brief the Board on activities of the State Legislature. Mr. McCabe explained that the trailer bill to SB 1946 passed both Houses and would be sent to the Governor. He also reported that any legislation, not acted upon by the Legislature during the session would need to be re-introduced during the next session if the Fund wished to pursue it. He discussed the recent police and fire pension fund legislation. The Board thanked him for his report and he departed.

5. Adjournment

After consideration of all other items of business, it was moved and seconded that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

The Board's next regular meeting is scheduled for January 6, 2011